



**6712-01**

**FEDERAL COMMUNICATIONS COMMISSION**

**[AU Docket No. 14-252, GN Docket No. 12-268, WT Docket No. 12-269; DA 15-1365]**

**Wireless Telecommunications Bureau Clarifies Procedure for Disbursing Reverse Auction**

**Incentive Payments**

**AGENCY:** Federal Communications Commission.

**ACTION:** Notice.

**SUMMARY:** This document clarifies procedure for reverse incentive auction payments for Auction 1001.

**FOR FURTHER INFORMATION CONTACT:** Wireless Telecommunications Bureau, Auctions and Spectrum Access Division; for general forward auction questions: Mary Margaret Jackson at (202) 418-3641.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Clarification on Reverse Auction Payment Public Notice, AU Docket No. 14-252, GN Docket No. 12-268, WT Docket No. 12-269, DA 15-1365, released on November 25, 2015. The complete text of the Clarification on Reverse Auction Payment Public Notice is available for public inspection and copying from 8:00 a.m. to 4:30 p.m. ET Monday through Thursday or from 8:00 a.m. to 11:30 a.m. ET on Fridays in the FCC Reference Information Center, 445 12th Street S.W., Room CY-A257, Washington, DC 20554. The complete text is also available on the Commission's website at <http://wireless.fcc.gov>, or by using the search function on the ECFS web page at <http://www.fcc.gov/cgb/ecfs/>. Alternative formats are available to persons with disabilities by sending an email to [FCC504@fcc.gov](mailto:FCC504@fcc.gov) or by calling the Consumer & Governmental Affairs Bureau at (202) 418-0530 (voice), (202) 418-0432 (TTY).

1. The Wireless Telecommunications Bureau (Bureau) in response to a number of comments and inquiries clarified the circumstances under which the Commission will accept payment instructions to make incentive payments to an entity other than a winning reverse auction bidder. The Commission has stated that incentive payments will be disbursed "to the licensee that is the reverse

auction applicant” and that, in making such disbursements, it will “follow winning reverse auction bidders’ payment instructions as set forth on their respective standardized incentive payment forms to the extent permitted by law.” The Bureau clarified that the winning reverse auction bidder need not be the owner of the account to which disbursement is made. Winning bidders may instruct that their payments be disbursed to a third party, such as a “qualified intermediary,” a “qualified trust,” an escrow account, or an account jointly owned by parties to a channel sharing agreement (CSA) who are named as owners of that account. The flexibility to instruct that payments be disbursed to a third party will facilitate channel sharing and thereby promote voluntary broadcaster participation in the reverse auction.

2. In addition, the Bureau clarified that incentive payments will be disbursed only to a single payee and into a single account. Any division of payments (*e.g.*, among the parties to a CSA or to different accounts) will be the responsibility of the winning reverse auction bidder or the party to which the winning bidder’s payment is disbursed, not the Commission. Disbursement will be made to a third party only if the winning bidder has so instructed on its incentive payment form. Finally, winning bidders and third parties to which winning bidders instruct that payments be disbursed will be required: (1) to agree to indemnify and to hold harmless the United States from any and all liability arising from the disbursement of incentive payments; (2) to acknowledge and agree that the payments are subject to offset pursuant to applicable law for debts (owed to the Commission or the United States) by either the winning bidder or the third party payee designated by the winning bidder; and (3) to acknowledge and agree that payments will not be made to (or for the benefit of) any winning bidder or other payee appearing on the U.S. Treasury’s “Do Not Pay” portal.

3. The Bureau is not providing guidance on how the federal tax laws may apply to incentive payments. Specific procedures for disbursing payments, including the forms for submitting instructions and the necessary financial information, will be set forth by future public notice.

Federal Communications Commission.

**William Huber,**  
Associate Chief, Auctions and Spectrum Access Division, WTB.

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